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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re:	:	Chapter 11
	:	
GENESIS GLOBAL HOLDCO, LLC, et al.,	:	Case No. 23-10063 (SHL)
	:	
Debtor.	:	(Jointly Administered)
	:	
-----X	:	

**OBJECTION OF SOF INTERNATIONAL, LLC TO NOTICE OF FILING OF
STIPULATION AND ORDER BY AND BETWEEN THE DEBTORS AND GEMINI
TRUST COMPANY, LLC, ON BEHALF OF GEMINI LENDERS, ALLOWING THE
GEMINI MASTER CLAIM (CLAIM NO. 356)**

SOF International, LLC (“SOF”), by and through its undersigned counsel, hereby submits this objection (the “Objection”) to the *Notice of Filing of Stipulation and Order By and Between the Debtors and Gemini Trust Company, LLC, on Behalf of Gemini Lenders, Allowing the Gemini Master Claim (Claim No. 356)* [Dkt. 1393] (the “Notice”),¹ and respectfully states as follows:

Background

1. On May 22, 2023, Gemini filed a proof of claim against Genesis Global Capital, LLC (“GGC”) on behalf of Gemini Lenders (Claim No. 356) (the “Gemini Master Claim”) asserting a claim denominated in 53 cryptocurrency coin units listed in Exhibit B annexed thereto

¹ Capitalized terms but not defined herein shall have the meanings set forth in the Notice.

with corresponding coin quantities, which Gemini asserted had a total gross value of not less than \$1,122,467,217.65 measured as of approximately 11:00 p.m. (Eastern Standard Time) on the Petition Date, plus a claim for unliquidated amounts.²

2. Further, the Gemini Master Claim identified 10 cryptocurrency coin units listed in Exhibit D annexed thereto with corresponding coin quantities, which Gemini asserted had a total gross value of not less than \$36,414,135.40 measured as of approximately 11:00 p.m. (Eastern Standard Time) on the Petition Date, and which Gemini allegedly was authorized under the relevant agreements to hold in “reserve” on behalf of the Gemini Lenders.³ Gemini described the reserve as follows: “Gemini has secured party and/or setoff rights with respect to the Reserve. Pursuant to Section 3 of the Terms and Authorization Agreement, Gemini was permitted, but not required, to maintain a reserve (the “Reserve”) on behalf of Gemini Lenders by withholding any amount of digital assets that Gemini Lenders designated for a loan in such Reserve. From time to time, Gemini held certain Gemini Borrowings returned by GGC in such Reserve for the benefit of Gemini Lenders.”⁴ These reserve coins are referred to as the “Gemini Reserved Coins” in the Debtors’ latest version of their proposed plan of reorganization, filed on February 26, 2024 (the “Plan”).⁵

3. Separately, the Debtors have identified certain “Gemini Earn Operations Assets” which are a list of 53 cryptocurrency coin units (the same coin units as in the Gemini Master Claim) plus an additional unit identified as “USD” (which presumably means cash in US dollars), each with corresponding coin quantities.⁶

² See Gemini Master Claim, Annex ¶ 6. Gemini also filed substantially identical proofs of claim against the other Debtors. See Claims 369 and 400.

³ See Gemini Master Claim, Annex ¶ 7.B.

⁴ *Id.*

⁵ See Dkt. 1392.

⁶ See Dkt. 1031, p. 306 of 306.

4. Under the Plan, the allowed amount of Gemini's claims asserted in the Gemini Master Claim (defined in the Plan as the "Allowed Gemini Lender Claim") is subject to certain reductions (with the amount of such reductions referred to as the "Gemini Asset Value").⁷

5. Under the Plan, the Gemini Asset Value is defined to include, among other things, the Gemini Reserved Coins and the Gemini Earn Operations Assets (each at their average price measured over the period starting 15 days prior to confirmation and ending 15 days after confirmation), subject to the following exception with respect to the Gemini Reserved Coins:

*provided, however, that the value of the Gemini Reserved Coins shall be excluded from the calculation of the Gemini Asset Value if (x) mutually agreed in writing by Gemini and the Debtors, with the Committee's Consent and the Ad Hoc Group's Consent, or (y) the Bankruptcy Court enters an order determining that the value of the Gemini Reserved Coins is not included in the amount of the Allowed Gemini Lender Claims and such order has not been stayed or vacated unless otherwise agreed by Gemini and the Debtors with the consent of the Committee and the Ad Hoc Group, or otherwise ordered by the Court.*⁸

6. Distributions on account of Allowed Gemini Lender Claims are to be made by the Debtors to Gemini, and Gemini is required to hold such distributions in trust in a segregated account for the benefit of Gemini Lenders and distribute to Gemini Lenders as soon as practicable in accordance with the Gemini Lender Distribution Principles.⁹

7. Separately, but contemporaneously with the initial distribution, Gemini is required to distribute, among other things, the Gemini Reserved Coins (to the extent included in the Gemini Asset Value) and the Gemini Earn Operations Assets, each in accordance with the Gemini Lender Distribution Principles.¹⁰

8. The Notice, filed on February 26, 2024, reflects an agreement between the Debtors and Gemini with respect to allowance of the Gemini Master Claim and its treatment under the

⁷ See Plan, Article III.C.7.b.

⁸ See Plan, Article I.A.110.

⁹ See Plan, Article VI.C.1.d.

¹⁰ *Id.*

Plan. It seeks an order allowing the Gemini Lender Claim based on amounts of coin units identified on Exhibit 1 to the Notice, provided however, that such allowance is without prejudice to, among other things, the calculation of the Gemini Asset Value under the Plan.¹¹

9. The coin quantities are on the whole materially lower than those set forth in the Gemini Master Claim. Attached hereto as **Exhibit A** is a chart showing the cryptocurrency coin units in the Gemini Master Claim compared to those same units in the Notice, and a calculation of the difference between the two (with positive numbers reflecting an excess of the Gemini Master Claim over the stipulated values in the Notice, i.e., an agreed decrease in quantity as compared to the asserted proof of claim amount, and negative numbers shown in red reflecting the opposite).¹²

10. SOF's counsel has made informal inquiries to counsel for the Debtors and Gemini, respectively, regarding the Notice and seeking certain information regarding the calculation of the allowed amount of the Gemini Master Claim, but has received no substantive response.

Objection

A. Calculation of Coin Quantities and Offsets

11. Given the unexplained material downward variation in the coin quantities to be included in the allowed Gemini Master Claim, the Debtors and Gemini should provide an explanation for the differences between the coin quantities reflected in the Notice as compared to those asserted in the Gemini Master Claim.

12. The Debtors and Gemini should also confirm whether the quantities in the Notice reflect a netting of the Gemini Reserved Coins and/or the Gemini Earn Operations Assets.

13. Gemini should also provide data confirming that the coin quantities set forth in the Notice match the aggregate total amount of coins owing to Gemini Earn lenders collectively

¹¹ See Notice, p. 7 of 14 (para. 2).

¹² For ease of viewing, the quantities shown are rounded to four decimal places. However, the underlying calculations are based on non-rounded quantities.

as reflected in Gemini's books and records (i.e., the aggregate total of all the quantities shown on the Gemini Earn app, which Gemini Earn lenders are presumably relying on as their "official" account statement). Specifically, Gemini should provide an anonymized table of all Gemini Earn lenders with coin quantities for each (in separate columns) so the totals can be added up and matched.

B. Treatment of Loan Fees (Interest) and Late Fees

14. It is unclear the extent to which the coin quantities in the Notice include any Loan Fees (which are the equivalent of interest)¹³ that accrued prior to the Petition Date, or any Late Fees (in particular those that presumably accrued after the Debtors froze redemptions on November 16, 2022),¹⁴ or any other form of interest such as prejudgment interest.

15. Accordingly, the Debtors and Gemini should (i) confirm whether the coin quantities set forth in the Notice reflect any interest or fees, including Loan Fees and Late Fees owing pursuant to the Master Digital Asset Loan Agreement, and if so through what date, (ii) provide calculations of such amounts, and (iii) confirm what interest rates are used for each coin and whether/how the interest is compounded.

16. And to the extent not included in the allowed Gemini Master Claim, the Debtors and Gemini should value and include such additional claims as necessary to treat the Gemini Master Claim consistent with treatment of other unsecured claims against the Debtors.

17. Also, to permit an independent verification of the responses to the above, the Debtors and Gemini should confirm whether the coin quantities set forth in the Notice match the coin quantities owing as of November 16, 2022, and if not, provide those aggregate coin quantities owing as of November 16, 2022.

¹³ See Dkt. 845, Ex. 2 (the "Master Digital Asset Loan Agreement"), Section III(a).

¹⁴ *Id.* at Section III(b).

C. Treatment of Additional Non-Coin Claims

18. The proposed allowance of the allowed Gemini Master Claim pursuant to the Notice does not appear to contemplate any amount on account of non-coin claims asserted by Gemini on behalf of Gemini Earn lenders.

19. Upon information and belief, such claims may be significant. Such claims would include, without limitation “any damages for breach of the Security Agreement, including, without limitation, GGC’s failure to deliver the Additional Collateral to Gemini for the benefit of the Gemini Lenders, including, without limitation, all appreciation in value of the Additional Collateral since GGC’s failure to deliver occurred.”¹⁵ And, such claims would include Gemini Earn lenders’ claims for attorneys’ fees and other costs incurred in seeking to enforce their rights under the Master Digital Asset Loan Agreement (based on Debtors’ direct obligation to Gemini Earn lenders under the Master Digital Asset Loan Agreement, or their obligation as indemnitors of Gemini for Gemini’s obligations to Gemini Earn lenders under the Master Digital Asset Loan Agreement).¹⁶

20. The Debtors and Gemini should value and include such claims in the allowed Gemini Master Claim.

D. Treatment of Amounts Owning to the Debtors

21. The Debtors and Gemini should provide an explanation of (i) how the “REN” coin quantity shown in the Notice can be a negative number (which would seem to indicate that Gemini owes that quantity of REN coins to the Debtors), (ii) whether some Gemini Earn lenders actually have negative balances for the REN coin (or any others) such that they owe either the Debtors or Gemini, and (iii) if there is an amount owing by Gemini and/or the Gemini Earn

¹⁵ See Gemini Master Claim, Annex ¶ 6.E.

¹⁶ *Id.*; Master Digital Asset Loan Agreement, Sections X and XXI(b).

lenders with respect to certain coins, how that amount will affect the calculation of distributions under the Plan (i.e., whether/how it will reduce or dilute recoveries of other Gemini Earn lenders).

CONCLUSION AND RESERVATION OF RIGHTS

WHEREFORE, SOF respectfully requests that the Court refuse to approve the proposed stipulation and order attached to the Notice absent an adequate response to this Objection, and grant such other and further relief as is just and proper in this case. SOF expressly reserves the right to amend or supplement this Objection, to file additional objections, and to introduce evidence supporting this Objection and any other objections at any hearing on the Notice.

Dated: New York, New York
March 18, 2024

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Exhibit A - Gemini Lender Claim Coin Values

Coin	Symbol	Gemini Master Claim Coin Count	Gemini Master Claim Count Court Adjusted Per Stipulation Dkt 1393	Difference Between Gemini Master Claim Coin Count per POC and Adjusted Count per Stipulation
1inch Network	(1INCH)	3,012,033.4633	2,571,655.9289	440,377.5344
Aave	(AAVE)	33,788.9425	33,277.2967	511.6458
Alchemix	(ALCX)	8,676.3900	7,138.7597	1,537.6303
Amp	(AMP)	425,936,380.5577	408,812,195.2283	17,124,185.3293
Ankr	(ANKR)	23,335,928.0678	38,207.3041	23,297,720.7637
ApeCoin	(APE)	1,139,985.5396	1,083,458.0117	56,527.5280
Axie Infinity	(AXS)	90,870.9279	89,586.3234	1,284.6045
Balancer	(BAL)	34,868.7609	32,186.9305	2,681.8304
Basic Attention Token	(BAT)	9,388,882.9720	9,406,123.7352	17,240.7632
Bitcoin Cash	(BCH)	44,121.7742	40,106.3798	4,015.3944
Bancor	(BNT)	267,993.7802	248,483.3221	19,510.4581
Bitcoin	(BTC)	15,094.3806	14,241.7675	852.6131
Chiliz	(CHZ)	688,964.6183	658,916.4099	30,048.2084
Compound	(COMP)	14,038.7644	13,756.4699	282.2945
Curve DAO Token	(CRV)	3,110,821.2025	3,144,261.9969	33,440.7943
Multi Collateral Dai	(DAI)	8,326,580.2702	4,573,802.5352	3,752,777.7350
DogeCoin	(DOGE)	195,432,319.0030	114,141,309.0579	81,291,009.9451
Ethereum	(ETH)	157,019.7670	157,884.1916	864.4246
Fetch.ai	(FET)	2,013,560.7297	23,244.2636	1,990,316.4661
Filecoin	(FIL)	2,601,610.1284	2,295,445.9017	306,164.2267
Fantom	(FTM)	21,093,013.7170	16,027,223.5844	5,065,790.1325
The Graph	(GRT)	17,337,624.7658	16,926,257.3533	411,367.4125
Gemini Dollar	(GUSD)	375,437,385.0389	378,963,105.1116	3,525,720.0728
Injective	(INJ)	135,922.6131	129,803.7796	6,118.8336
Kyber Network Crystal v2	(KNC)	434,572.6438	434,557.4595	15.1843
Chainlink	(LINK)	1,524,285.6644	1,306,220.7320	218,064.9325
Livepeer	(LPT)	24,673.1466	24,515.2510	157.8956
Loopring	(LRC)	2,690,498.8197	1,141,110.2715	1,549,388.5482
Litecoin	(LTC)	127,209.2819	126,590.6333	618.6485
LUNA**	(LUNA)	286.0603	0.0000	286.0603
Decentraland	(MANA)	5,593,977.3344	5,586,393.8450	7,583.4894
Polygon	(MATIC)	16,964,467.2402	14,617,460.3713	2,347,006.8689
MIR**	(MIR)	4.1733	0.0000	4.1733
Maker	(MKR)	1,338.3804	1,309.2105	29.1699
Orchid	(OXT)	3,699,739.2594	3,614,593.1681	85,146.0914
PAX Gold	(PAXG)	1,014.9737	999.9061	15.0677
Ribbon Finance	(RBN)	25,405.5735	15,443.4155	9,962.1580
Ren	(REN)	4,231,486.6261	17,916.1724	4,249,402.7985
Rally	(RLY)	5,660,470.4302	3,147,130.5555	2,513,339.8747
SKALE	(SKL)	3,980,478.7716	2,076,382.1637	1,904,096.6079
Synthetic	(SNX)	237,906.9530	224,684.4863	13,222.4667
Solana	(SOL)	284,128.9239	239,496.7348	44,632.1891
Storj	(STORJ)	1,811,065.2614	1,794,404.6190	16,660.6424
SushiSwap	(SUSHI)	597,029.8507	585,754.2233	11,275.6275
Tokemak	(TOKE)	24,563.5646	16,319.0734	8,244.4912
UMA	(UMA)	60,303.1822	57,806.9111	2,496.2711
Uniswap	(UNI)	511,292.1299	507,243.7654	4,048.3645
USD Coin	(USDC)	55,215,289.1234	15,694,470.2349	39,520,818.8885
TerraClassicUSD	(USTC)	1,260.5434	543.0222	717.5213
Tezos	(XTZ)	695,291.9457	660,421.4372	34,870.5085
Yearn.Finance	(YFI)	128.1602	118.7733	9.3870
Zcash	(ZEC)	43,919.4737	43,921.4333	1.9596
0x	(ZRX)	2,737,146.6728	2,716,083.6696	21,063.0031